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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/803,153	03/12/2001	Takao Samukawa	1538.1012	3267

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EXAMINER

MILEF, ELDA G

ART UNIT PAPER NUMBER

3628

DATE MAILED: 08/26/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/803,153	SAMUKAWA ET AL.	
	Examiner	Art Unit	
	Elda Milef	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 5/2/2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-24 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-24 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

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DETAILED ACTION

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

1. Claims 1-8 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The basis of this rejection is set forth in a two-prong test of:

(1) whether the invention is within the technological arts; and

(2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

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In the present case, Claims 1-8 only recite an abstract idea. Claims 1-8 do not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use a pencil and paper. As to the technology requirement, note MPEP Section 2106 IV 2(b). Also note In re Waldbaum, 173USPQ 430 (CCPA 1972) which teaches "useful arts" is synonymous with "technological arts."

The invention in the body of the claim must recite technology. If the invention is not tied to technological art, environment, or machine, the claim is not statutory. Ex parte Bowman 61USPQ2d 1665).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

2. Claims 1-24 rejected under 35 U.S.C. 103(a) as being unpatentable over Wallman (US PAT 6,601,044) in view of Dalton,

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John M., "How the Stock Market Works". NYIF Corp. 1993. p.107-111.

Re Claim 1, 9, and 17: Wallman discloses: A method, storage medium and a system for supporting a trading of an odd lot that is less than a round lot stock number determined in every stock company, said method comprising the steps of: receiving from a customer, an odd lot selling order or an odd lot buying order for a particular stock company (see col 52, lines 22-25);

Wallman does not disclose: judging whether or not a number of total stocks of said odd lot selling orders or a number of total stocks of said odd lot buying orders received at said receiving is over a threshold value that is less than said round lot stock number and is determined by a predetermined rule; and if it is judged at said judging that the number of total stocks of said odd lot selling orders or the number of total stocks of said odd lot buying orders is over said threshold, outputting a selling order of said round lot stock number defined for said particular stock company for said odd lot selling orders or a buying order of said round lot stock number defined for said particular stock company for said odd lot buying orders. It is well known in the art that all trades

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are divided into two basic types according to size, round lots and odd lots as shown by Dalton pgs. 107-111, in particular p. 107, para. 3 ("An odd lot is therefore a trade from one to 99 shares.") and p.109, para. 1-3 ("Odd-lot orders for separate customers may be bunched as long as the consent of each customer is obtained... Like round-lot market orders, odd-lot market orders require execution at the best available price. Because odd-lot orders may not be bid, offered, or used to initiate transactions, they must wait for an effective round-lot execution.") The round lot is the basic unit of trading, is multiples of 100 shares. Odd lots are for less than this amount. Before buying stocks investor has options depending on individual preferences. The individual investor may have plurality of options available to him/her in which to make a choice of making a particular trade. Thus, one of ordinary skill in the art making such a judgment would have been obvious to do when viewing the system of Wallman, thus providing a better control of a particular buy/sell order. Wallman system shows that a customer can buy/sell odd lot orders see col.35 45-67, col. 36, lines 1-31, col. 44 lines 29-32, col.46 lines 5-12 therefore, it would have been obvious to one having ordinary skill in the art at the time that the invention was made to combine the teachings of Wallman with what is well

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known in the art as evidenced by Dalton in order to provide the investor with the benefits of diversification in their portfolios.

Re Claim 2, 3,4,10,11,12,18,19 and 20: Wallman does not explicitly teach "The method storage medium and a system, wherein said predetermined rule is a rule in which a trading fee of said odd lot buying orders or said odd lot selling orders is equal to or higher than a risk amount for a stock number which is a difference between said round lot stock number and said threshold. The method, storage medium and a system wherein said risk amount is determined by a limited price range or a price itself. The method, storage medium and a system, wherein said predetermined rule is a rule based on a trading volume of stocks of said particular stock company during a predetermined period ."

As per these limitations, in the purchasing/selling of financial securities, an invested amount relates to a risk amount. Also, most trading transactions involve a type or an associated fee. The trading fee for a buy/sell order being equal to or higher than a risk amount which is a difference between the round lot stock number and the threshold as claimed would have been obvious left to the owners of the system of Wallman as such

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there could be a great number of possible ways to set a predetermined rule for setting a particular fee and such would not affect the functioning of the system of Wallman.

Investors usually purchase volume of stocks that are being held for a particular period of time. It is well known that the more time it is held for the more the risk as evidenced by Dalton p. 108 ("The customer pays two types of charges on odd-lot orders. One is the commission charged by the brokerage firm... The second charge is known as the "differential," which is paid to the specialist odd-lot dealer for executing the order... Customer Jones enters a market order to buy 50 shares of B&D. Jones' brokerage firm telecommunicates the order...If the next B&D trade takes place at, say, 30, the specialist sells Jones 50 shares of B&D, out of his own inventory, at 30 1/8. The 1/8 point tacked on the effective sale price is the differential and it goes to the specialist. While the normal differential is 1/8 point, it may vary. ") Thus, one of ordinary skill in the art at the time of the invention would have been motivated to such a rule for determining an appropriate fee for a related buy/sell order in the system of Wallman in order to maintain the system of Wallman and also in order to charge customers/investors a fee for using the system.

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Re Claim 5, 13 and 21: Wallman does not explicitly teach "The method, storage medium and system, further comprising the steps of: judging whether or not said number of said total stocks of said odd lot buying orders or said number of said total stocks of said odd lot selling orders that are received at said receiving is over said round lot stock number of said particular stock company; if it is judged at said second judging that said number of said total stocks of said odd lot buying orders or said number of said total stocks of said odd lot selling orders is over said round lot stock number, providing a minimum number of ordered stocks of said odd lot buying orders or said odd lot selling orders to each customer who makes said odd lot buying order or said odd lot selling order; and providing a number of remainder stocks that is calculated by subtracting a number of all stocks provided at said first providing from said round lot stock number, to a customer who has a remainder of the order, according to a second predetermined rule."

The individual investor may have plurality of options available to him/her in which to make a choice of making a particular trade. .- See Dalton, pgs. 107-111, in particular p. 107, para. 3 ("An odd lot is therefore a trade from one to 99 shares.") Thus, one of ordinary skill in the art making

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such a judgment would have been obvious to do when viewing the system of Wallman, thus providing a better control of a particular buy/sell order. As per this limitation, in the purchasing/selling of financial securities, there could be a great number of possible ways to set a predetermined rule for providing a minimum number of ordered stocks to each customer and such would not affect the functioning of the system of Wallman. Brokers usually provide the remainder of the stocks to a customer who has the remainder of the order. Thus, one of ordinary skill in the art at the time of the invention would have been motivated to such a rule for determining a minimum number of ordered stocks in the system of Wallman in order to maintain the system of Wallman and also to provide the ordered stocks to customers/investors.

Re Claim 6, 14 and 22: Wallman does not explicitly teach "The method, storage medium and system, further comprising:

judging whether or not said number of said total stocks of said odd lot buying orders or said number of said total stocks of said odd lot selling orders that are received at said receiving is over said round lot stock number of said particular stock company;

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if it is judged at said second judging that said number of said total stocks of said odd lot buying orders or said number of said total stocks of said odd lot selling orders is over said round lot stock number, judging whether or not it is possible to provide a minimum number of ordered stocks of said odd lot buying orders or said odd lot selling orders to each customer who makes said odd lot buying order or said odd lot selling order;

if it is judged at said third judging that it is impossible to provide, providing one stock to said each customer; and providing a number of remainder stocks that is calculated by subtracting a number of all stocks provided at said first providing from said round lot stock number, to a customer who has a remainder of the order, according to a second predetermined rule."

As per this limitation, the Examiner asserts that the individual investor may have a plurality of options available to him/her in which to make a choice of making a particular trade.- See Dalton, pgs. 107-111, in particular p. 107, para. 3 ("An odd lot is therefore a trade from one to 99 shares.") Thus, one of ordinary skill in the art making such a judgment would have been obvious to do when viewing the system of Wallman, thus providing a better control of a particular buy/sell order.

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Furthermore, in the purchasing/selling of financial securities, there could be a great number of possible ways to set a predetermined rule for providing a minimum number of ordered stocks to each customer. A result of such would not affect the functioning of the system of Wallman. A broker desiring to buy/sell round lot would have been motivated to add the remainder of an order (not being a round lot or an odd lot) to be added with a number of an order or odd lot to make a round lot. -See Dalton, pgs. 107-111, in particular\ p. 109 para. 1, ("Odd-lot orders for separate customers may be bunched as long as the consent of each customer is obtained.") Thus, one of ordinary skill in the art at the time of the invention would have been motivated to such a rule for determining a minimum number of ordered stocks in the system of Wallman in order to maintain the system of Wallman and also to transact or buy/sell the desired ordered stocks.

Re Claims 7, 15 and 23: Wallman does not explicitly teach "A method, storage medium and system for supporting a trading of an odd lot that is less than a round lot stock number determined in every stock company, said method comprising:

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judging whether or not a number of total stocks of odd lot buying orders or a number of total stocks of odd lot selling orders that are received from customers is over said round lot stock number of said particular stock company;

if it is judged at said judging that said number of said total stocks of said odd lot buying orders or said number of said total stocks of said odd lot selling orders is over said round lot stock number, judging whether or not it is possible to provide a minimum number of ordered stocks of said odd lot buying orders or said odd lot selling orders to each customer who makes said odd lot buying order or said odd lot selling order;

if it is judged at said second judging that it is possible to provide, providing said minimum number of said ordered stocks of said odd lot buying orders or said odd lot selling orders to said each customer who makes said odd lot buying order or said odd lot selling order; and providing a number of remainder stocks that is calculated by subtracting a number of all stocks provided at said first providing from said round lot stock number, to a customer who has a remainder of the order, according to a second predetermined rule."

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Furthermore, in the purchasing/selling of financial securities, there could be a great number of possible ways to set a predetermined rule for providing a minimum number of ordered stocks to each customer. .- See Dalton, pgs. 107-111, in particular p. 107, para. 3 ("An odd lot is therefore a trade from one to 99 shares.") A result of such would not affect the functioning of the system of Wallman. A broker desiring to buy/sell round lot would have been motivated to add the remainder of an order (not being a round lot or an odd lot) to be added with a number of an order or odd lot to make a round lot. -See Dalton, pgs. 107-111, in particular p. 109 para. 1, ("Odd-lot orders for separate customers may be bunched as long as the consent of each customer is obtained.") Thus, one of ordinary skill in the art at the time of the invention would have been motivated to such a rule for determining a minimum number of ordered stocks in the system of Wallman in order to maintain the system of Wallman and also to transact or buy/sell the desired ordered stocks.

Re Claim 8, 16 and 24: Wallman does not explicitly teach "The method, storage medium and system, further comprising:

if it is judged at said second judging that it is impossible to provide, providing one stock to said each customer;

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and providing a number of remainder stocks that is calculated by subtracting a number of all stocks provided at said first providing from said round lot stock number, to a customer who has a remainder of the order, according to a second predetermined rule."

Furthermore, in the purchasing/selling of financial securities, there could be a great number of possible ways to set a predetermined rule for providing a one stock to each customer. A result of such would not affect the functioning of the system of Wallman. A broker desiring to buy/sell round lot would have been motivated to add the remainder of an order (not being a round lot or an odd lot) to be added with a number of an order or odd lot to make a round lot. Thus, one of ordinary skill in the art at the time of the invention would have been motivated to such a rule for determining a number of remainder stocks in the system of Wallman in order to maintain the system of Wallman and also to transact or buy/sell the desired ordered stocks.

Response to Arguments

Applicant's arguments filed 5/2/2005 have been fully considered but they are not persuasive.

In regards to the applicant's assertion that Wallman does not teach or suggest the features of independent claim 1. Wallman discloses a method and apparatus of creating and managing a portfolio of securities. In particular, Wallman discloses odd lot trading in col. 35, lines 45-67, col. 36, lines 1-31. Wallman also discloses that the invention includes ("the ability to acquire small odd lots and fractional shares in multiple securities at reasonable costs")-see col 45, lines 31-32. Wallman discloses ("Once the portfolios reach the central computer, they are broken down into their constituent trades. At this point, there are several possibilities. One, the trades can be aggregated, and netted against one another, leaving only a small number of shares to either be purchased or sold for each asset/liability. In this case, the brokerage company can undertake the risk that the stock will go up or down and simply reallocate the ownership of the stocks within the company and then at the end of the day (or several times throughout the day) execute a trade to remove any risk. Two, the trades can be continuously executed as they arrive, thereby reducing any risk.

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In this case, the investors are still investing portfolio's, but the company is handling the underlying transactions to implement the desired portfolios. Third, the trades can simply be aggregated until reaching a certain size (either in dollars or numbers of share), at which point they are executed.").

Combining the Wallman reference with what is well known in the art regarding odd-lot trading, as evidenced by Dalton -see pgs. 107-111, in particular p. 107, para. 3 ("An odd lot is therefore a trade from one to 99 shares.") and p.109, para. 1-3 ("Odd-lot orders for separate customers may be bunched as long as the consent of each customer is obtained.. Like round-lot market orders, odd-lot market orders require execution at the best available price. Because odd-lot orders may not be bid, offered, or used to initiate transactions, they must wait for an effective round-lot execution."), shows all of the features of claim 1 and the dependent claims related to each.

It would have been obvious to one having ordinary skill in the art at the time that the invention was made to modify Wallman to include the teachings of Dalton in order to fully disclose the practice of odd-lot trading that is known in the art to provide the customer with the most accurate price on an odd-lot trade and the ability to diversify their portfolios.

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In regards to claim 7, the portion of an order to buy a round lot is in essence an odd-lot. Therefore, Wallman teaches the features in claim 7 combined with what is well known in the art as evidenced by Dalton pgs. 107 to 111. Applicant's attention is directed to Wallman, col. 35, lines 45-67 and col. 36, 1-31 and col. 46 lines 5-13 ("but it may be viable for certain small orders. Shares can be bought in very, small odd Lots one or two shares), and even in fractions--purchases not possible on a cost-effective basis with ordinary brokerage.")

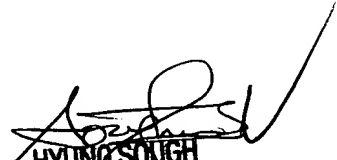
Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Elda Milef whose telephone number is (571)272-8124. The examiner can normally be reached on Monday - Friday 9:15 am to 5:45 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough can be reached on (571)272-6799. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).


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